

4 March 1947

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SUBJECT : COMMISSION AT A-2 TRANSMITT

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CENTRAL INTELLIGENCE AGENCY
SOURCE METHOD EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2006

CONFIDENTIAL - SECURITY INFORMATION

Note: The attached document was written by a member of the U.S. Liaison Staff who had completed five months of service (October 1944 - March 1945) in that office.

The writer of the document (to whom we shall refer as "Source") was requested to prepare an objective account in order that a clearer picture of the Bucharest office might be gained. Source - American speaking, Liaison with the Bucharest Secret Service, and having a broad knowledge of conditions and personalities - was on very friendly terms with the responsible Bucharest S-S officers. Consequently he was particularly in accord with the situation he described.

Unfortunately, because of hospitalization and his unexpected return to the United States, Source was only able to record a portion of his observations.

Source's text has not been altered except for occasional rewording of the English.

CONFIDENTIAL - SECURITY INFORMATION

I. X-2 Bucharest

a. French Chief

1. When the Chief of X-2 first arrived in Bucharest he attended many parties, and his gay and unconventional mood caused many persons to say unpleasant things about him. Gossip was also current about his informal behavior at certain parties.
2. Upon one occasion the Chief left a party in his socks and the maid ran to the car with his shoes. He was given to telling all sorts of fantastic stories which amused certain people for they thought that he was making light of them. As an example: at a large dinner party the X-2 Chief told the guests that he owned a talking dog in the United States which knew over two thousand words. One evening the hostess' dog entered the dining room and her daughter looked across the table at the Chief, remarking with sarcasm that her dog spoke only Greek. This was one of the numerous stories which made the rounds of Bucharest society at that time.
3. The X-2 Chief's cover was blown very soon after his arrival in Bucharest. This was partly due to the fact that whenever an agent was suggested for possible employment by OSS, members of the Mission, such as Col. B., would openly refer them to the Chief of X-2.

II. American Personnel

4. ROSS, Sylvia - Intelligence Analyst. Maintains several outside contacts. Has interrogated German internees and acted as translator at interviews of the Chief of French with Rumanian personalities. Is allowed access to Cable File.
5. WILLY, Marcelle - Steno-typist. Does only clerical work. Also handles Control intelligence and certain cables.
6. THOMAS, Shelby H., Lt. (J.G.) - Administrative Officer. Supervises all filing of intelligence documents, signals, collects reports, supervises expedition of the pouch, directs personnel. In addition to these administrative tasks he is entrusted by the Chief of French with very confidential assignments. Thomas, Ross, and Mahovary once journeyed to the Transylvanian Alps, near Brauer, to procure a quantity of textiles. However, they encountered difficulty with the local authorities. Later the news spread that the Americans had taken over the textile factory in question.

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7. WERNER, Peter H., T/5 - Assistant administrator. In charge of coding system, reports log, and expedition of pouch.
8. FORT, John, Pfc. - Maintains liaison with the counter-intelligence branch of the Rumanian Secret Service and with the Russians. Also takes the photographs of the personnel employed by OSS for their identification cards. About 22 years of age. Described by Source as without X-2 knowledge and having no serious interest in the work. The Chief of X-2 has requested a commission for him.
9. LEWIS, Michael, Sgt. - Liaison with sources 200 and 201, and also "outside work" for the X-2 Branch Chief such as the obtaining of permits from the Rumanian government, of providing cover and protection for German agents in X-2 custody.
10. KOPPE, Lt. - Loaned to X-2 by the A.S.C.. Maintains liaison with the British Mission and contact with source 201. The Lt. struck Source as devoid of acquaintance with intelligence procedure. For example: he gave a Russian intelligence chart obtained from the Rumanian Secret Service to a Rumanian translator instead of an American for translation. Then with Chief X-2 he made a trip to Istanbul in March 1945 for the purpose of buying watches.

III. Rumanian Personnel

11. These individuals were investigated before being employed by the Rumanian Secret Service, 30/201 and other agents.
12. KAHN, Irving - American citizen of Rumanian descent and Jewish faith. Born in Bronx, N.Y., 25 years ago. Has been living in Rumania about twelve years. Father died several years ago and his mother resides in Bucharest. In 1942 he married a girl whose first name is Cici, born in Pighina (Bessarabia) and of Russian descent. Lives with parents-in-law on Boulevard Carol 86.
13. Mrs. Kahn's brother is at present in Russia and news has been received from him several times through Russian officers. Her parents have many friends among the Russian soldiers and officers stationed in Bucharest, who visit their home very often.
14. Kahn is in charge of translating and analyzing the intelligence found by the Branch and the Rumanian authorities at some of the former German government offices in Bucharest. Has also interrogated for X-2 German internees. Salary: 75 monthly.
15. Kahn approached X-2 Chief with proposal to import commodities from Turkey, and, on another occasion, with the proposal to salvage Jewish fortunes out of Rumania. Has gained the confidence of the Chief.

16. SOLOV, Boris - Rumanian citizen of Russian descent and Jewish faith. Former chief of a translation section in a Rumanian government office. He and his father own a small textile factory near Bucharest. Lives with parents at 28 Strada Bogu Gontacuzino, Bucharest.
17. Last September Sobor assisted OSS officers in raiding the offices of SOLOV & CO. and he translated most of the documents found there. The reports of the Rumanian diplomatic officials found at Mihai SOLOV's home were also translated by him.
18. Salary: \$50 monthly. At the beginning he refused to accept remuneration.
19. HILIPEN, Vivian - Bulgarian born and educated at the American College, Sofia. Married to a Rumanian physician. She translates German documents as well as part of the reports issued by Rumanian authorities. Described by Source as an able worker and conscientious.
20. BROKOWSKI, Serge - Did some carting for a period of time. Does not know German. Also assisted the Security Officer.
21. GUSKOW, Rene - About 20 years of age. Of Polish descent and Jewish faith. Was employed by X-2 for about two months. "Groomer" by profession. Worked very conscientiously for X-2. At the present writing he is employed by the Bucharest radio station.
22. G.R., Iva-Iva - 17 year old girl, who worked for the branch for about six weeks.
23. STEUERMANN, Achala, Miss (alias "Shelly") - Had documents showing that previous to the war she had been employed by the Rumanian subsidiary of the SLOVEN OIL CO.. Miss Steuermann was discharged some weeks later for suspicious conduct. For instance, she would make extra copies of practically all work produced by her, and received all sorts of mysterious telephone messages. Consequently X-2 arranged for her to be investigated and shadowed. It was found that Miss Steuermann had certain Russian contacts and security clearance was not given her. She is now openly employed at Russian Military H., Bucharest.
24. SCHLESER, Cesar - 24, Rumanian citizen born in Jassy. Was connected with Frank Stevens through Agent PGI whose reports he translated into English. Worked in the X-2 office for a few weeks in October, then turned into agent to observe traffic in three personnel in hotels. Undisciplined and unreliable. Received \$35-40 monthly while with X-2.

25. HODON, Marjorie, Mrs. - Hired by Chief of X-2 as secretary in September 1944. She was recommended by Mrs. Sylvia HODON, Secretary of the CG of the US Mission. Both these individuals are British born. Mrs. Hodon is married to a Romanian and has resided in Romania for approximately fifteen years. She has three children. (Mrs. Hecce is probably agent 13/114.)
26. Mrs. Hodon has never handled current reports received by the Branch, her work consisting of the translation of a certain type of intelligence material found at the former German offices and in Mihai Antonescu's home. A few weeks ago she began to arrive at the office very early in the morning and to leave very late at night. In addition, she made more copies of her typewritten work than was required by the office. The X-2 Chief thereupon decided to deprive her of the office key, also making a list at that time of those persons who were entitled to open and close the office. Following this, he decided to discharge her, however she received employment from the Reports Office. Her work at present consists of the translation of material which is mostly unclassified. She does not know the German language.

Liaison Personnel

27. NEGOMONTE, Theodor, Lt. - Liaison between the Romanian Secret Service and X-2. Spends most of his time in the X-2 office. Very inactive from standpoint of work, except for procurement of small items of office equipment, etc.. In November 1943 went by Romanian plane with Chief of X-2 to Istanbul to visit friends there. Upon return in December, he attempted suicide due to an unsuccessful love affair.
28. MIHAI, Judge - Formerly employed by the unit as official liaison to the Romanian Secret Service. Thoroughly unreliable and most of his "reports" were figments of his own imagination. Not paid by X-2 but by the Romanian Secret Service. Useful for a brief period in bringing to X-2, and without the knowledge of the Russians, Germans captured in the east and Transylvania.
29. An investigation by the Branch through the Romanian Secret Service revealed unfavorable information on Mihai. The Judge also spread the story in Bucharest that he was "counselor to the chief of the Romanian Secret Service in Romania". A short time ago the Romanian Secret Service recalled him and he was replaced by a new man.
30. GABRIEL, Lt. - Liaison with the Romanian Air Staff and Romanian Secret Service. Source describes him as a habitual liar and thoroughly unreliable.

31. SMITH, or SMITH, Charles, N.O.A. - born of a Swedish father and a Hungarian mother (nee SMITH). Also liaison with the Hungarian Secret Service.

IV. X-2 Agents

32. There are approximately half a dozen agents employed by X-2 but only two or three of these are considered of value. In addition, four or five German agents work for X-2, receiving no pay but protection.
33. STEWART, Frank - former chief of the Hungarian MI work in Istanbul, last MI worked for that same desk in Bucharest. His secretary, who later became agent 200, submitted reports many of which were of X-2 nature. This led to the employment of 201 by X-2. Stevens has not been connected with the organization since the end of December. (However, he is being used as an agent.)
34. Agents 200 and 201 (20/201 is Paul V. L. HU of the Hungarian Secret Service, 20/200 alias "Paul Giescu" was born in Cairo; his father is connected with 23 in Sciruth) received salaries of approximately \$40 each monthly and were given permission to rent a small office. Their operational expenses amount to approximately \$50-\$80 per month each. They submit ten to twenty reports daily, but most of these have not been confirmed by other sources. The two agents have also been used for security investigations of the personnel employed by OSS and A.C.S.. They also report on all matters relating to the Hungarian intelligence organizations.
35. HATI, Gregory - 40 year old Transylvanian of no particular training or profession. Of questionable value. Does shadowing and reports political information. receives \$11 per month.
36. MOORE, Theodore - 23 years of age, airplane mechanic, receives \$11 per month. Under strict control would be a valuable man.

V. Early History of the X-2 Branch in Bucharest

37. When the British Military Mission first arrived in Bucharest it requisitioned the house on Strada Orlando 10 or 12. This house had until August 1941 been occupied by the German Consulate General and the German Police Attache. The name of the Police Attache was WICHTER, and he in reality was the chief of the Sicherheitsdienst in Rumänien. Source believes his first name was Gustav. The police, but one, among other things, had the last word on the granting of German visas and the issuance of German passports, as the records found there proved.

36. The personnel of the German Consulate and of the Police Attache's office were forced to leave their offices in a great hurry on the day of the so-called "coup d'etat" and consequently left behind almost all their records.
37. The British found these records almost complete but they lacked the personnel necessary to process all this intelligence. The X-2 Chief consequently ordered to take it from them and about four truckloads were conveyed to the new X-2 office on Avenue de la 31.
38. The office was in no position to process all the intelligence because the office force was small at that time and most of those employed by X-2 branch had no knowledge of the German language.

II. Notes on the Management of the X-2 Office

41. Security - The enforcement of security at the X-2 office proved to be extremely difficult. This was partly due to the fact that the American personnel had not been briefed before commencing to work for the branch. The American civilians in question had never before worked in an office where security is of prime importance. Since no explanations had been made to them of the necessity of security measures, they began to resent certain of the regulations introduced later - for example, the one permitting only military personnel free access to the filing cabinet. They also were displeased by the rule introduced later that all papers had to be locked up each time they left the office.
42. Another error of omission was the initial failure to explain the classification system to the American employees. They did not understand what was meant by "classified documents", "confidential trash", etc., much less how to handle these properly.
43. One very serious violation of security is the lack of restriction of the use of the "secret" stamp. This is kept in an open cabinet with ordinary office supplies. But is worst of all is that any employee in the office can classify any document "secret" at his own free will.
44. Conduct of the Civilian Employees - The civilian staff gave the impression of being entirely ignorant of how a business office should be managed. This is not astonishing in view of the general non-official way of running offices.

45. Office hours were not respected. The employees never came to work on time, and when leaving the office during working hours, they would never indicate where they were going or how long they would be absent. The X-2 Chief decided about one month ago that a record should be kept of everyone's activities during office hours. This measure was enforced for a few weeks, but when the civilians observed that no one bothered to check the record, they ceased entering the required data.
46. The civilian staff failed to handle their work in an orderly manner. They would pass documents from one desk to another and would pile their papers in the safe in a very disorderly manner. They also placed personal items in the safe. Not all the blame was theirs, however, because the American personnel was also often haphazard in the filing of documents. It occurred very often that requests for information could not be answered because the proper file could not be located.
47. Finally, the Rumanian civilians attempted to capitalize upon their American connections in various ways. They would always try to secure transportation for trips of a personal nature, and were astonished when the Chief at last put a stop to this practice.
48. In addition, the Rumanians often donned American arm-bands even when they were not on duty, some of them even posing as "delegates of the American Mission."

VII. The SMIT Family - Contact of X-2 Chief

49. During last October the head of X-2 at Bucharest made the acquaintance of SMIT, a Dutchman, who has assisted him in his work, and who has managed to gain his confidence.
50. Smit is the Philips radio representative in Bucharest. He appears to have had considerable experience in the field of radio having worked many years for the Philips concern, which firm he has represented then in the United States. By nature, he appears clever and personable.
51. Smit was in Holland when the Germans invaded that country, and at that time he secured his appointment as Rumanian representative for Philips. In Rumania he built a radio factory and extensive repair shops. Source had heard rumors that Smit had been connected with some Allied intelligence service while the Germans were still in Rumania. At any rate, he seems to be persona grata with the present Dutch diplomatic representative in Bucharest.

52. During the Spring 1944 Allied air offensive over Rumania, Smit sent his wife and daughter (or daughters?) to Budapest.
53. The X-2 Bucharest Chief accepted Smit's invitation to live at his home. Through him the Chief has made numerous contacts. Among these is Major KAUFMAN of the Red Army.

VIII. Major KAUFMAN - a Russian Contact

54. Major Kaufman in civilian life was a chemical engineer and is ostensibly in the Tank Corps of the Russian Army. According to Source, however, there are indications that he is actually in the Russian Intelligence Service. This opinion was also expressed to Source by the Chief of X-2.
55. Major Kaufman met Aaron SCHLES (X-2 employee) some time ago in Brasov and attempted to gain information from him on X-2 activities, personnel, asking what the individual assignments were and who was employed by this branch in addition to those he had met at the Smit home.
56. About one month ago Smit succeeded in inducing Major Kaufman to go to Budapest, in order to bring his family from that city to Bucharest. Smit himself procured the automobile for Major Kaufman, but according to Source the vehicle belongs officially to the Russian officer.
57. For some time the Chief contemplated going into Budapest with a Russian officer and industrialist, apparently Kaufman and Smit.
58. In November 1944 SMIT, in the company of the Chief X-2, Lt. WISNIEWSKI, and Lt. BUCHSINDER, took off by Rumanian plane for Istanbul. The purpose of this trip was never revealed.

IX. The SCHMITZ Couple - Contact of X-2 Chief

59. One of the most important contacts furnished by Smit. Mr. and Mrs. SCHMITZ, alias the "Schetzles" have lived in the United States for almost thirty years. Mr. Schmitz worked for a time as newspaperman on several New York papers. Sometime after World War I he became chief of one of the principal German propaganda offices - the German railways, his office being located on West 57th Street between 5th and 6th Avenues, New York City.
60. Their son, whose name is probably Franz, was born of Mrs. Schmitz' first marriage and went to the States as an infant. He is a graduate of Lafayette College, U.S.A. where he also took some U.S.A.C. training. At the present writing the son is a soldier in the German Army and was stationed in Vienna when last heard from in August 1944.

61. The Schmitz family was supposedly forced to leave the United States in 1941 by the Dickstein Congressional Committee.
62. Although the Schmitz profess only love and admiration for the United States, Source feels that they are actually 100% Germans at heart. The Chief of X-2 claimed at one time to have discovered some evidence that Mrs. Schmitz had aided the Allied cause during the last few years, but he never explained further.
63. Although in the custody of X-2, the couple is now at liberty. The Chief of X-2 sends him every month to the Hungarian police in order to extend their permission to stay.
64. Mr. Schmitz was sent to Bucharest in 1941 as chief of the German Propaganda Office, holding this position till 23 August 1944. Since then he has been working for X-2. To date he has written many reports about the activities of different German government offices in Hungary and in Germany. Among other things, Schmitz interrogates for X-2 German internees and translates the reports submitted by other Germans working for the Branch.
65. About three months ago Schmitz was given the task of interrogating, supervising, and translating the reports of a young German girl whose first name is Brigard. She was previously the private secretary of Dr. LUTER, the Police Attache. After having been in X-2 custody for about three months, the Hungarian authorities requested our office (approximately one month ago) to return her to camp since the Hungarians were checking all lists of German internees. Brigard's husband is a former ski champion of Germany, previously with the Luftwaffe in Hungary and at present interned. He is not in the same camp with his wife.

7. German Agents - in X-2 Custody

66. Major Bishop managed to establish contact through Dr. SCHMITZ and Dr. PAUL with Germans who had worked for the German government in Hungary. When he first met Dr. Schmitz through Paul he made an agreement to put him and his wife in the custody of X-2 and also to requisition the apartment which had been occupied by them and pay 2/3 of the rent. Schmitz was to advise the Chief as to which Germans were to be taken out of the internment camps through Hungarian Secret Service contacts for interrogation, and was also in charge of their interrogation. He was also given the work of translating the reports of these agents. It should be noted that some of these are Hungarian citizens and still at liberty.

64. W. J. L. rothers - many others - who interviewed the Chief's brothers. One of them had been connected with the 1934-35 expedition. If Volkdeutsch origin, both had had German intelligence connections.
65. J. W. L. - many others removed temporarily from an internment camp when William L. Howard who had been connected with the 33 and had been Constan J. L. T's secretary. Before coming to America she had worked for the 33 in Paris and Lisbon. She was always delighted to talk of her stay in Paris and of the fact that their office was located in the former house of one of the 33's (possibly on Avenue Rich (possibly Maurice de Rich (Rich's mother)).
66. Mrs. Howard moved in with the Schmitz' at 6 Avenue Rich, 1934-35. He was in his work.
67. In December 1934 the Chief decided to take also the ground floor apartment, which meant that he then occupied the whole house. At that time Sylvia Cross, Marcelle Bailey, Helga Theres and Laura moved in with him. However, they did not fare very well with Mrs. Schmitz, which prompted the Chief to invite her down for meals. Probably Howard became one of them as the Chief had once put it. She would take her meals at the 33's even when guests came to the house where she was staying.
68. In New Year's Eve several Russian officers and enlisted men had been invited for dinner. The Chief decided that Howard might also be present. She appeared very attractive that evening and the Russians seemed to be very interested in her. One of them asked her if the land where she had been born, and in a very thick German accent she replied "California." They asked her no further questions on her private life after that.

VI. Identified Persons and Events

Howard Incident

69. On 15 October 1934 the Chief asked Laura to fetch a young woman who lived near the French St. Vincent and St. Louis Hospital and escort her to the Schmitz'. When arriving there Laura saw one of the secretaries of the French Legation in the hall and spoke to him. This Laura spoke of speaking to the Frenchman, the young woman who was connected with a German gentleman who frequently had been visiting her in the hospital. At the time one of the German gentlemen had asked her if two ladies were waiting for him. Then the French Legation man saw the two ladies and he turned to Laura and said in a loud voice: "My friend, I hope you're taking them to an internment camp - will be there all there because that's where they should be."

70. It was extremely embarrassing.

Incident at Princess Ghika's

73. Upon another occasion the Chief told source that he had a very delicate task for him to perform. Source and the Chief went to the two Germans to the 4411 (S) home (Princess Ghika's maiden name is Rajala). Upon the arrival of the Germans the two Germans went to her very quietly to a room on the second floor. Source went to keep Princess Ghika's husband company who was a former legislator and a "very strange" character. The third German went up the stairs with the Germans and he instructed to keep very quiet and remain in their room while they were in that building.
74. The next day Source received a message to phone call from Princess Ghika, that one of the Germans had told her husband who they were agents and that work they were doing for the Chief, while the other had gone to the kitchen and commenced speaking rudely to the servants. The Princess was extremely worried because she had told her parents and everyone in the house that they were two American engineers who had just arrived in Bucharest. Source rushed to the scene, and upon arriving, found that one of the Germans had left the city (later he learned that the purpose of his departure was to present himself at the Romanian Department of Internal Affairs to vouch for another German, a friend of his who was about to be deported by the Russians).
75. Upon leaving this Source told the Chief of X-2 that he should by all means remove the Germans from that house; to this he agreed. The Chief then asked Princess Ghika to keep them for several days more, till he could find an apartment for them. The Princess' mother, however, was horrified at this prospect since her husband had been an important political figure in Romania before and during the Antonescu regime, and fearful that the Russians, learning of the presence of the two German agents, would use against her husband. The family, however, finally agreed to let the German agents remain in the house two more days.
76. The following day, the Germans revealed to the servants who they were. Besides, Mrs. Rajala and one of the maids found some intelligence and newspapers they had dropped in the living room. All this caused the Chief to take them from the house.
77. Note: Princess Ghika, nee Rajala, is on very friendly terms with X-2 personnel. She travelled very freely in Europe during German occupation.
78. During his observations Source said: "The whole operation was managed in a most unbusiness-like and most un-American fashion imaginable."